Access
News on WorkSafeBC products, programs, and services
December 2005

Penalties to change in 2006

New tiered structure aims to improve equity

Beginning in March 2006, there will be a new penalty structure for employers who don't report their payroll or pay their premiums as required. The tiered structure will improve equity and consistency and make penalties more straightforward.

Currently, penalties are calculated as a percentage of an employer's actual or estimated assessment. That assessment may change, however, if there are updates or adjustments to the employer's payroll. When the payroll changes, the penalty is recalculated — a process that can be confusing and administratively cumbersome.

The new penalty structure will be based on a sliding scale and includes standard, fixed penalties for both non-reporting of payroll and non-remitting of payments. The minimum penalty will be set at $50 and will increase according to an employer's premiums.

Under the new model, employers who don't make their payments with their quarterly Employer's Remittance Forms (1820 forms) will incur the following non-remitting penalties:

1	$0.01 - $1,499.99	$50
2	$1,500 - $4,999.99	$150
3	$5,000 - $9,999.99	$500
4	$10,000 - $49,999.99	$1,000
5	$50,000 - $99,999.99	$3,000
6	$100,000 +	$10,000

Employers who don't report their payroll by the due date on their annual Employer Payroll and Contract Labour Reports (1810 forms) will incur the following non-reporting penalties:

1	$0 - $5,999.99	$50
2	$6,000 - $19,999.99	$150
3	$20,000 - $199,999.99	$500
4	$200,000 +	$1,000

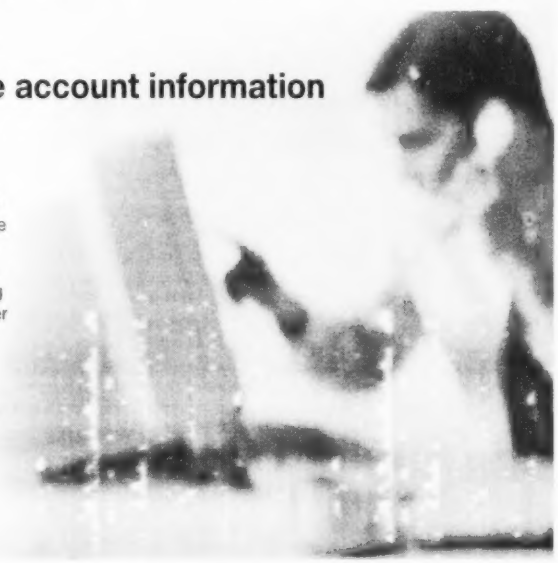
While the new minimum is higher than the current average non-reporting and non-remitting penalty amounts — approximately $44 and $28 respectively — the $50 minimum should help to encourage compliance, thereby increasing equity for all employers who fund the workers' compensation system.

The change to the penalty model follows consultation with employers and other stakeholders. For more information, visit **www.worksafebc.com/law_and_policy**.

Now you can share online account information

Would you like to share your claim costs information securely with a client, an associated firm, a health care service provider, or another party with whom you do business? Now you can, using a new WorkSafeBC (Workers' Compensation Board) online service called Delegate Management. This secure application lets you give another firm permission to access your online account information — including your claim costs data — providing you and the other firm agree and are both registered WorkSafeBC employers.

For more information, go to **WorkSafeBC.com** and select "Delegate Management" from the list of WorkSafeBC Online Services.



Maximum wage rate to increase

The maximum wage rate and the maximum coverage for Personal Optional Protection (POP) insurance are increasing effective January 1, 2006. The maximum wage rate — that is, the maximum insurable earnings per worker for the year — will increase to $62,400 per worker in 2006 from $61,300 in 2005, while the maximum allowable POP coverage will increase to $5,200 per month from $5,108.

Your 2006 rate information package

By now, you should have received an information package that shows your rate for 2006. In your package, you will find your base rate for next year along with your experience rating adjustment — that is, the discount or surcharge applied to your account to reflect your safety record — if applicable. And, if your firm incurred any claims, your package includes the details of those claims.

Get it online

You receive your rate information package in the mail once a year, however did you know you can access the same information online all year long? We maintain your rate information from 2000 and beyond in a secured section of our web site. It's our way of helping you access your records safely and easily. Simply go to **WorkSafeBC.com** and select "View rate information letters" from the list of WorkSafeBC Online Services.

Why haven't I received a rate package?

If you opened your account after October 7, 2005, you registered after we printed the 2006 rate information packages for B.C.'s employers. Instead of the package, you should have received a letter that shows both your 2005 and 2006 rates. If you haven't yet received this information, please contact our Employer Service Centre at **604 244-6181** or toll-free at **1 888 922-2768**.

Be part of the consultation process

At WorkSafeBC (the Workers' Compensation Board), we think it's important to hear from stakeholders before changing workplace rules. In the past, we've noticed that most feedback comes from large firms, associations, and unions, and a few come from small business, worker representatives, and joint committee co-chairs. We'd like to change that by expanding our web-based consultation process.

If you're the owner of a small business, a worker representative, or a joint committee co-chair and would like to get involved in the Occupational Health and Safety Regulation consultation process, visit our web site at **www.healthandsafetycentre.org** and sign up for E-News. We'll send you e-mail notices about proposed changes to the Regulation and let you know how you can send us your comments.

WorkSafeBC reports operating surplus in 2004

WorkSafeBC (the Workers' Compensation Board) achieved an operating surplus of $280 million in 2004 compared to $155 million in 2003. Contributing factors included a continued low injury rate, stronger than anticipated economic growth, and lower claim costs.

A new accounting standard introduced by the Canadian Accounting Standards Board added a further $390 million of "other comprehensive income," based on the valuation of portfolio investments using fair market value at the end of 2004. The amount represents net unrealized gains on investments that in past years were deferred and amortized (smoothed) into income over five years.

While WorkSafeBC agrees with the new fair value accounting guidelines, fair value accounting provides a snapshot-in-time reading of financial assets and thus financial market fluctuations can result in volatile financial results in the future.

If premium rates were based solely on fair value results, employers would experience much more significant rate volatility. For this reason, WorkSafeBC will continue to set premium rates using the smoothing approach.

For more information, visit **WorkSafeBC.com** and select "2004 Annual Report" from "Publications and Videos."

Registration initiative levels playing field for B.C. businesses

Most businesses in B.C. are registered with WorkSafeBC (the Workers' Compensation Board) and the Canada Revenue Agency. Like you, they pay their share of workplace insurance premiums, take responsibility for safety in the workplace seriously, and contribute to Canada's tax base.

Some employers, however, haven't come forward to register with the CRA or WorkSafeBC. This is unfair. It gives these employers a competitive advantage and unduly burdens all other business owners who pay their taxes and fund the workers' compensation system.

Through an agreement recently signed between the Canada Revenue Agency and WorkSafeBC, our province's business community will soon achieve greater equity. The agreement enables WorkSafeBC and the CRA to exchange information — such as contact details and payroll figures for businesses in B.C. This way, we can identify firms that are not registered with both agencies and inform them of their legal requirements.

By ensuring that employers are registered as required, we are meeting our responsibility to the employers and workers of B.C. — that is, to achieve a level playing field for B.C.'s business community while ensuring employers and workers are well-protected against workplace injuries and have access to expert advice on health and safety matters.

The exchange of information between the CRA and WorkSafeBC meets the legal requirements under freedom of information and privacy legislation.

For more information about the registration initiative, visit **WorkSafeBC.com**. For information about the Canada Revenue Agency's registration requirements, visit the CRA web site at **www.cra.gc.ca** or call the CRA Business Window at **1 866 432-6349**.

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This newsletter is also available electronically on the WorkSafeBC web site at www.worksafebc.com/publications/newsletters/access/.

Look for the next issue in March 2006.

WORKSAFE BC
WORKING TO MAKE A DIFFERENCE

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